



194

AVVA TECHNOLOGIES INC.

EXECUTIVE OFFICE
#5, 6025 - 12TH STREET S.E.
CALGARY, ALBERTA
T2H 2K1

**NOTICE OF AN ANNUAL GENERAL MEETING OF COMMON
SHAREHOLDERS OF AVVA TECHNOLOGIES INC.**

NOTICE IS HEREBY GIVEN THAT the annual general meeting of holders of common shares of AVVA TECHNOLOGIES INC. (the "Corporation") will be held at the Mayfair room at the Westin Hotel, 320 - 4th Avenue S.W., in the City of Calgary, in the Province of Alberta, at 3:30 p.m., on Friday, March 24, 1995, for the following purposes.

1. To receive the financial statements of the Corporation, for the fiscal year ended September 30, 1994, and the auditors report thereon.
2. To fix the Board of Directors of the Corporation at four (4) members.
3. To elect the Board of Directors for the ensuing year.
4. To appoint auditors for the ensuing year.
5. To transact such other business as may be properly brought before the meeting.

DATED at the City of Calgary, in the Province of Alberta, this 9th day of February, 1995.

BY ORDER OF THE BOARD OF DIRECTORS

"Signed"

MARK K. KOMONOSKI
PRESIDENT

IMPORTANT

It is desirable that as many shares as possible be represented at the meeting. If you do not expect to attend and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Montreal Trust Company of Canada, 411 - Eighth Avenue S.W., Calgary, Alberta, T2P 1E7, at least forty eight (48) hours prior to the meeting or any adjournment thereof.

AVVA TECHNOLOGIES INC.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Management Information Circular is provided in connection with the solicitation by management of AVVA Technologies Inc. (the "Corporation") of proxies for the Annual General Meeting of the Shareholders of the Corporation (the "Meeting") to be held on Friday, March 24, 1995, at 3:30 p.m. (Calgary time) at the Mayfair room at the Westin Hotel, 320 - 4th Avenue S.W., Calgary, Alberta, or at any adjournment thereof for the purposes set out in the accompanying notice of meeting.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, telegraph or personal interview by regular employees of the Corporation, at a nominal cost. In accordance with National Policy No. 41, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT, REVOCATION AND VOTING OF PROXIES

The persons named in the enclosed Instrument of Proxy have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them.

A shareholder has the right to appoint a nominee (who need not be a shareholder of the Corporation) other than Mark K. Komonoski and Thomas J. Charlton, directors of the Corporation, to represent him or her at the Meeting, by inserting the name of his chosen nominee in the space provided for that purpose on the form, or by completing another proper form of proxy. Such shareholder should notify the nominee of the appointment, obtain the consent of the nominee to act as proxy and should provide instructions on how the shareholder's shares are to be voted. In any case, the form of proxy should be dated and executed by the shareholder or his attorney authorized in writing, with proof of such authorization attached, where an attorney executed the proxy form.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to Montreal Trust Company of Canada, 411 - 8th Avenue S.W., Calgary, Alberta, T2P 1E7, at least forty-eight (48) hours, excluding Saturdays and holidays, before the time of the Meeting or any adjournment thereof.

Shares represented by properly executed proxy forms in favour of the person designated on the enclosed form will be voted or withheld from voting in accordance with the instructions given on the proxy forms. In the absence of such instructions, such shares WILL BE VOTED FOR THE APPROVAL OF ALL RESOLUTIONS IDENTIFIED IN THIS INFORMATION CIRCULAR.

The enclosed Instrument of Proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date hereof, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it, any time before it is exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

The By-Laws of the Corporation provide that holders present, not being less than two (2) in number and holding or representing not less than twenty-five (25%) percent of the issued common shares entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum for the meeting in respect of holders of common shares.

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. Beneficial Shareholders who complete and return a proxy must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied to Beneficial Shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

All references to shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation has an authorized capital consisting of an unlimited number of common shares, of which 14,051,501 common shares are issued and outstanding as at the date hereof. In addition, the Corporation is authorized to issue an unlimited number of Preferred Shares, issuable in series, none of which are currently issued.

Holders of common shares on record at the close of business on February 15, 1995, (the "Record Date") are entitled to vote such common shares at the meeting on the basis of one vote for each common share held except to the extent that, (i) the holder transfers his or her shares after the close of business on the Record Date, and (ii) such transferee produces properly endorsed share certificates to the Secretary or Transfer Agent of the Corporation or otherwise establishes his or her ownership of the shares, at least ten (10) days prior to the meeting, in which case the transferee may vote those shares.

Holders of common shares are entitled to one vote at the Meeting for each common share held.

The following table lists those persons who own of record or are known to the Corporation to own beneficially, directly or indirectly or exercise control or direction over, more than 10% of the issued and outstanding common shares of the Corporation that are entitled to vote at the meeting as at the date hereof:

Name and Municipality	Type of Ownership	Number of Common Shares	Percentage of Common Shares Held
Mark K. Komonoski Calgary, Alberta	of record and beneficially	5,004,765	36%

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

A. Compensation of Executive Officers and Directors

During the last fiscal period ended September 30, 1994 the Corporation had three executive officers. The aggregate cash compensation (including salaries, fees, director's fees, commissions, bonuses paid for services rendered during the most recently completed fiscal year, and any compensation other than bonuses earned during the most recently completed fiscal year the payment of which was deferred)

for all members of management (all directors, executive officers and any other key personnel) who were employed by the Corporation or retained on a consulting basis was Nil, in addition to the granting of options.

Directors of the Corporation receive no fees for their services as directors. The Corporation has no pension plans.

B. Plans and Share Options

The Board of Directors of the Corporation adopted a Stock Option Plan dated November 24, 1993, (the "Plan"). Pursuant to the Plan, the Board of Directors may allocate non-transferrable options to purchase common shares of the Corporation to directors, officers and employees of the Corporation and its subsidiaries.

Under the Plan, at the time of granting the options, the aggregate number of common shares to be delivered upon the exercise of all options granted thereunder and the aggregate number of common shares to be delivered upon exercise of the options to any one individual granted thereunder may not exceed the maximum number permitted by any stock exchange on which the common shares may be listed or other regulatory body having jurisdiction.

Options issued pursuant to the Plan will have an exercise price equal to either the closing price of the common shares of the Corporation on those stock exchanges on which the Corporation's shares are listed (presently anticipated to be only The Alberta Stock Exchange) on the business day immediately preceding the day when such options are issued, less any discount which such stock exchanges may allow or, in the event that an option is granted within six months of a public distribution of its shares, then the exercise price of such options will be, if required by such stock exchanges, the greater of the price referred to above or the price per share paid by the investing public for shares acquired in the course of such distributions, determined in accordance with the policies of such stock exchanges.

The following table sets forth information in respect of all stock options which were granted to executive officers and directors of the Corporation during the Corporation's last fiscal year ended September 30, 1994.

Number of Shares Subject to Option	Date of Grant	Exercise Price	Date of Expiry
666,686	November 24, 1993	\$0.10	March 4, 1996

C. Other Compensation

Other than as herein set forth, the Corporation did not pay any additional compensation to the executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed fiscal year.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer nor any of their respective associates or affiliates is or has been at any time since the beginning of the last completed fiscal year indebted to the Corporation or any of its subsidiaries.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interests, direct or indirect, of the Directors, Executive Officers or shareholders who beneficially own, directly or indirectly, more than 10% of the issued and outstanding common shares of the Corporation in any proposed or ongoing transactions of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Corporation, the only matters to be brought before the meeting are those matters set forth in the accompanying notice of meeting.

A. Election of Directors

On November 16, 1993 the shareholders resolved to fix the board of directors at four (4) members. For this forthcoming year, it is proposed that the board of directors shall again consist of four (4) members. Management therefore intends to place before the meeting, for approval, with or without modification, a resolution fixing the board of directors at four (4) members for the next ensuing year. In order to be effective an ordinary resolution requires the approval by a majority of the votes cast by shareholders who vote in respect of the resolution. **Unless otherwise directed it is management's intention to vote the proxies in favour of the resolution fixing the number of directors to be elected at four (4).**

It is the intention of the management designees, if named as proxy, to vote for the election of the following persons to the board of directors. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to

be withheld from voting in the election of directors. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the By-laws of the Corporation.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by him, his municipality of residence, his principal occupation at the present and during the preceding five years, the period during which he has served as a director, and the number of voting common shares of the Corporation that he has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

Name	Position or Office within the Corporation	Principal Occupation for the Past Five Years	Year Became a Director	Voting Shares Beneficially Owned as at Date Hereof
Mark K. Komonoski Calgary, Alberta	President, Secretary and Director	Businessman. Since September 1, 1993, a consultant to AVVA Light Corporation. From 1989 to 1993, an associate in investment banking and public relations with A.M.F. Capital Corporation, a public investment business consulting firm. From 1987 to 1989 an associate in investor relations and financial consulting with Enterprises Development Inc., a private merchant bank.	1993	5,004,765
K. Gordon Reed Calgary, Alberta	Director	Businessman. Since 1987, President of Kentar Enterprises Ltd., a private holding company. Since 1990, semi retired. In 1990, he was the Senior Vice President, Marketing, with Westburne Drilling, a domestic and international drilling company.	1993	286,666

Name	Position or Office within the Corporation	Principal Occupation for the Past Five Years	Year Became a Director	Voting Shares Beneficially Owned as at Date Hereof
Thomas J. Charlton Calgary, Alberta	Director	Businessman. Since 1993, Secretary/Treasurer and director of AVVA Light Corporation, a private energy efficiency lighting company. From 1992 to 1993, Vice President and director of ACL Technologies, Inc., the predecessor of AVVA Light Corporation. From 1988 to 1993, a negotiator with Dalex Real Estate Strategies Inc., a commercial leasing and real estate development company.	1993	1,137,900
Dean W. Curtis Calgary, Alberta	Director	Businessman. Since May 1992, a financial analyst with Cavendish Investing Ltd., a private holding company. From January 1993 to present, a director with Ablevest Holdings Ltd., a junior capital pool company listed on The Alberta Stock Exchange. From October, 1990, to present, President of Curtis Investment Corporation. From July 1989, to November, 1990, an associate lawyer and student-at-law with Blake Cassels & Graydon, a law firm.	1993	30,000

B. Appointment of Auditors

Unless such authority is withheld, the management designees, if named as proxy, intend to vote the common shares represented by any such proxy for the appointment of Ernst & Young, Chartered Accountants, as auditors for the Corporation for the next ensuing year to hold office until the close of the next Annual General Meeting of Shareholders or until the firm of Ernst & Young is removed from office or resigns as provided by law by the Corporations' By-laws. Ernst & Young has been the auditor since November 16, 1993.

Mark K. Komonoski, Dean W. Curtis and Thomas J. Charlton will form the audit committee.

C. Financial Statements

The audited financial statements of the Corporation as at September 30, 1994, which have been approved by the Board of Directors of the Corporation, are appended hereto as Appendix "A".

D. Other Business

While there is no other business other than that mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting, or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

GENERAL

All other matters to be brought before the meeting require, for the passing of same, a simple majority of the votes cast at the meeting by the holders of common shares. If a majority of the common shares represented at the meeting should be voted against the appointment of Ernst & Young, Chartered Accountants, as auditors of the Corporation, the board of directors will appoint another firm of chartered accounts based upon the recommendation of the audit committee, which appointment for any period subsequent to the 1995 annual meeting of shareholders shall be subject to approval by the shareholders at the meeting.

The contents and the sending of this Management Information Circular have been approved by the board of directors of the Corporation.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at the City of Calgary, in the Province of Alberta this 9th day of February, 1995.

"Signed"

Mark K. Komonoski
Chief Executive Officer

"Signed"

Mark K. Komonoski
Chief Financial Officer

AVVA Technologies Inc.

President's Report

On September 31, 1994, AVVA Technologies Inc. (AVVA) completed its major transaction as a Junior Capital Pool, by acquiring 100% of the shares of AVVA Light Corporation. Through this acquisition, AVVA gained access to the \$30 billion per annum North American sign industry.

AVVA has quickly become the most innovative sign company in North America by living up to our mission statement which is, "to be the premier visual communications company dedicated to providing unique, intelligent illuminated signs and displays that consistently exceed customer expectations".

AVVA's focus is on three main product areas: address signs, point of purchase/ custom signs and architectural signs. During the 1994 fiscal year, the majority of sales growth was projected and is being realized from the point of purchase product line.

Over the last thirty days AVVA's marketing department has achieved a second meeting with the World Headquarters of Coca Cola, a first meeting with McDonalds World Headquarters and a third meeting with Nike World Headquarters. AVVA expects to close all three of these accounts in the near future.

AVVA is having tremendous success in its representations to blue chip corporations throughout North America and this is culminating into an ever growing market share. We are also quickly establishing a nationwide retail network for our "illuminated address sign".

AVVA has invested approximately \$1.3 million to make the initial edge-let illuminated sign concept commercially viable. AVVA plans to be aggressive in maintaining its leading edge in design and manufacturing by raising up to \$4 million in equity capital, over the next twenty four months. This will be allocated towards capital, technical and marketing expenditures. It is estimated that our marketing and distribution systems will require up to \$3 million of the raised capital, to provide the infrastructure to achieve our projected goal of \$40 million in gross sales by the year 2000.

AVVA's projected growth will not only come from North America but will be achieved world wide. Revenue and earnings growth will be significantly enhanced from international operations. AVVA is currently implementing licensing/ royalty relationships with international business associates.

Our first licensing agreement has been completed in Abu Dhabi, which will service the Middle East. Discussions and/ or negotiations are occurring with interested parties from the United Kingdom, China, Korea, Indonesia and South America. This international signage market has estimated sales of \$130 billion.

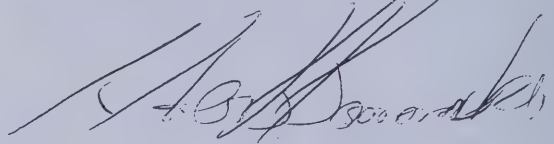
AVVA's success has come from its dedicated and committed employees who believe in the products they are creating.

AVVA boasts a diversified and strong shareholder group which has provided us with the opportunity to build a vision into a successful corporation.

We at AVVA, as custodians of your company, thank you and look forward to maximizing shareholder value as we go forward, from a product and market development company to a sales and distribution entity.

The future looks extremely bright for AVVA.

On behalf of the Board of Directors

A handwritten signature in dark ink, appearing to read 'Mark K. Komonoski', written over a horizontal line.

Mark K Komonoski
President

Appendix "A"

(AVVA Light Corporation financials
available at the Annual general Meeting)

AVVA Technologies Inc.

BALANCE SHEETS

As at September 30
(with comparatives as at November 24, 1993)

	1994 \$	1993 \$
ASSETS		
Current		
Cash	72,824	200,012
Accounts receivable	26,252	—
Advance to AVVA Light Corporation [note 3]	120,000	—
	<u>219,076</u>	<u>200,012</u>
Capital assets , net of accumulated depreciation [note 4]	13,042	—
Prepaid acquisition costs	<u>28,256</u>	<u>—</u>
	<u>260,374</u>	<u>200,012</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable	<u>40,626</u>	<u>—</u>
Shareholders' Equity		
Share capital [note 5]	375,443	200,012
Deficit	(155,695)	—
	<u>219,748</u>	<u>200,012</u>
	<u>260,374</u>	<u>200,012</u>

See accompanying notes

Approved by the Board:

Director

Director

AUDITORS' REPORT

To the Shareholders of
AVVA Technologies Inc.

We have audited the balance sheets of AVVA Technologies Inc. as at September 30, 1994 and November 24, 1993 and the statement of loss and deficit for the period from November 25, 1993 to September 30, 1994 and the statement of changes in financial position for the periods from November 25, 1993 to September 30, 1994 and from November 16, 1993 to November 24, 1993. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 1994 and November 24, 1993 and the results of its operations for the period from November 25, 1993 to September 30, 1994 and the changes in financial position for the periods from November 25, 1993 to September 30, 1994 and from November 16, 1993 to November 24, 1993 in accordance with generally accepted accounting principles.

Calgary, Canada
December 2, 1994

Ernst + Young
Chartered Accountants

AVVA Technologies Inc.

STATEMENT OF LOSS AND DEFICIT

For the period from November 25, 1993 to September 30, 1994

	\$
Revenue	
Interest	<u>1,587</u>
Expenses	
Advertising and promotion	88,607
Professional fees	62,335
Office	3,027
Depreciation and amortization	<u>3,313</u>
	<u>157,282</u>
Net loss for the period and deficit, end of the period	<u>155,695</u>
Loss per common share [note 6]	<u>.02</u>

See accompanying notes

AVVA Technologies Inc.

STATEMENTS OF CHANGES IN FINANCIAL POSITION

Period from November 25, 1993 to September 30, 1994
(with comparatives from November 16, 1993 to November 24, 1993)

	1994 \$	1993 \$
OPERATING ACTIVITIES		
Net loss for the period	(155,695)	—
Add item not requiring cash		—
Depreciation and amortization	3,313	—
	(152,382)	—
Net change in non-cash working capital items	(105,626)	—
	(258,008)	—
INVESTING ACTIVITIES		
Capital assets	(16,355)	—
Prepaid acquisition costs	(28,256)	—
	(44,611)	—
FINANCING ACTIVITY		
Issuance of share capital for cash	175,431	200,012
Change in cash for the period	(127,188)	200,012
Cash, beginning of the period	200,012	—
Cash, end of the period	72,824	200,012

See accompanying notes

AVVA Technologies Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 1994

1. INCORPORATION/NATURE OF BUSINESS

The Corporation was incorporated under the Business Corporations Act (Alberta) on November 16, 1993 and is classified as a Junior Capital Pool corporation as defined by the Alberta Securities Commission Policy 4.11. The Company was listed on The Alberta Stock Exchange on April 28, 1994.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements necessarily involves the use of estimates and approximations which have been made using careful judgment. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Capital assets

Capital assets are recorded at cost. Depreciation is provided on a declining balance basis over the estimated useful life of the assets. The annual rates of depreciation are as follows:

Furniture and office equipment	20%
Computer software	50%
Computer hardware	20%

Prepaid Acquisition Costs

Prepaid acquisition costs represent costs incurred relating to the acquisition of AVVA Light Corporation (Note 9). Upon completion of the transaction, these costs will be allocated to the assets acquired as part of the purchase price.

Comparative figures

These financial statements do not include a comparative statement of loss and deficit for the period from incorporation on November 16, 1993 to November 24, 1993 because the Corporation did not commence operations until November 25, 1993.

3. ADVANCE TO AVVA LIGHT CORPORATION

The advance to AVVA Light Corporation, a corporation related through common shareholders, is unsecured, non-interest bearing and has no specified terms of repayment.

AVVA Technologies Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 1994

4. CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net book value
	\$	\$	\$
Computer software	140	70	70
Furniture and office equipment	7,369	1,474	5,895
Computer hardware	8,846	1,769	7,077
	16,355	3,313	13,042

5. SHARE CAPITAL

Authorized

Unlimited common shares

Unlimited preferred shares issuable in series

Issued	Common Shares	Amount \$
Issued as at November 24, 1993	4,666,865	200,012
Issued for cash pursuant to prospectus	2,000,000	165,431
Issued for cash pursuant to option	100,000	10,000
	6,766,865	375,443

Pursuant to the prospectus filed with the Alberta Securities Commission on January 21, 1994 and an Agency Agreement dated January 21, 1994 between the Corporation and Yorkton Securities Inc. ("the Agent"), the Corporation offered 2,000,000 common shares at \$.10 per common share to the public. The total cost of the issue was \$34,569.

The Corporation has granted to the Agent a non-transferable option to purchase 200,000 common shares at \$.10 per common share. The option expires October 28, 1995. To date, the Agent has exercised this option to purchase 100,000 shares.

The Corporation has established a stock option plan for its directors and officers and has granted options to purchase 666,686 common shares at \$.10 per common share. The stock options expire on March 6, 1996.

The unlimited number of preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges and conditions attached to the shares of each series.

AVVA Technologies Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 1994

6. LOSS PER COMMON SHARE

Loss per common share has been calculated based on the weighted average number of common shares outstanding for the period from November 25, 1993 to September 30, 1994 of 6,348,117.

7. INCOME TAXES

The Company has non-capital losses for income tax purposes of approximately \$146,000 which are available to be applied against future taxable income and which expire in the year 2001. The potential benefit relating to the available losses has not been recorded in the financial statements.

8. LEASES

The Company is committed under a short-term lease until March 1, 1995. The future minimum lease payments under the lease are \$7,500.

9. SUBSEQUENT EVENTS

Pursuant to a takeover bid circular of AVVA Technologies Inc. dated September 9, 1994, the Company has expressed its intention to acquire all of the outstanding shares of AVVA Light Corporation. The consideration paid will consist of the issuance of 6,600,000 common shares of AVVA Technologies Inc. In addition, 1,800,000 share purchase warrants of AVVA Light Corporation will be converted to 1,800,000 share purchase warrants of AVVA Technologies Inc. The transaction was completed on October 7, 1994.

On November 30, 1994 the Corporation established a stock option plan for employees and granted options to purchase 660,000 common shares at an exercise price of \$0.20 per common share. The Corporation also granted additional stock options to its directors to purchase 53,000 common shares at \$0.50 per common share. These options expire on November 30, 1999. The Corporation has reserved 713,000 common shares for issuance pursuant to the exercise of the foregoing stock options.